

Senator Pat Thibaudeau



Keep in Touch!

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Dear Neighbor:

The session's over. We finished in the allotted time by law — 60 days in the even numbered years. We addressed the huge state deficit — \$1.5 billion dollars — and made a start at addressing the transportation crisis. Reductions in state services affected virtually every department in state government, and also those funded at the local level — for example, education and local government. Some people and organizations called for a general tax increase or, at least, an elimination of "tax loopholes." I personally could have voted to preserve services through a tax increase and eliminating tax loopholes, however, there were not enough votes to accomplish this. Even my income tax proposal, though in serious need of revision, was not considered. The Governor established a Task Force to evaluate the tax structure, so we will await its conclusions.

Solving the transportation crisis was handled by a proposed revenue package at the state level, which was referred to the people for a vote on the November ballot. Some argued that opponents of the package would have brought a referendum to the people to put it on the ballot in November anyway. I believed that we should have passed it at the state level — that's our responsibility. This would have allowed construction to begin this summer. Some of our most pressing transportation problems were addressed through a regional package to be determined by the county executives of King, Pierce and Snohomish counties and referred to the people. None of the proposals included adequate funding for alternative means of transportation.

Progress was made in certain areas by the passage of legislation described below. Generally, I think it is fair to say that the short session served its purpose — addressing the fiscal situation through a supplemental budget and addressing the most critical needs in transportation.

I continue to believe myself very fortunate to represent this district and I thank you for the opportunity.

Sincerely,

Pat Thibaudeau
Senator, 43rd District

Transportation: Now it's in the voters' hands

Nearly two years ago, Gov. Gary Locke's Blue Ribbon Commission on Transportation identified \$150 billion worth of transportation needs. This session the Legislature passed a bill that provides a list of major transportation projects and a way to pay for them. That \$7.7 billion package will be on the ballot in November for voters to approve or reject. The package includes a 9-cent increase in the statewide gas tax (phased in over two years); a 30 percent increase in commercial trucking fees (two year phase-in); and a 1 percent increase in the vehicle sales tax.

If the ballot is approved, the average motorist will pay \$68 in increased gas taxes. What would that buy?

- **Central Puget Sound roads:** More than \$3 billion out of the \$7.7 billion in new funding will be earmarked for major road projects in our area. An additional \$694 million will be used for high occupancy vehicle (HOV) lanes in the region.
- **Passenger-only ferries:** About \$366 million is targeted to passenger-only ferry projects.
- **Rail:** \$197 million would be invested in rail projects, including improvements to the Seattle-to-Everett track.

- **Public transportation:** About \$820 million would go toward public transportation projects, including \$450 million for public transit.
- **Cities and counties:** Seattle and other cities will receive \$75 million over 10 years to use as they see fit for their area. King County and the other counties will share \$75 million.
- **Accountability:** Under this plan, a citizens' commission will oversee the Department of Transportation audits, which are designed to ensure that public dollars are well spent.
- **Regional transportation:** To address some of our specific regional needs, the Legislature passed a bill that allows local voters to decide whether to raise revenue to pay for local transportation projects. Residents of Pierce, King and Snohomish counties will decide whether to tax themselves for projects that could include adding HOV lanes on Interstate 5, replacing the Alaskan Way Viaduct, the SR 520 bridge, extending Highways 167 and 509, and broadening I-405.
- **Seattle Monorail:** Seattle residents will have the chance to vote for or against taxes that would pay for a 14-mile, \$1 billion new monorail system.

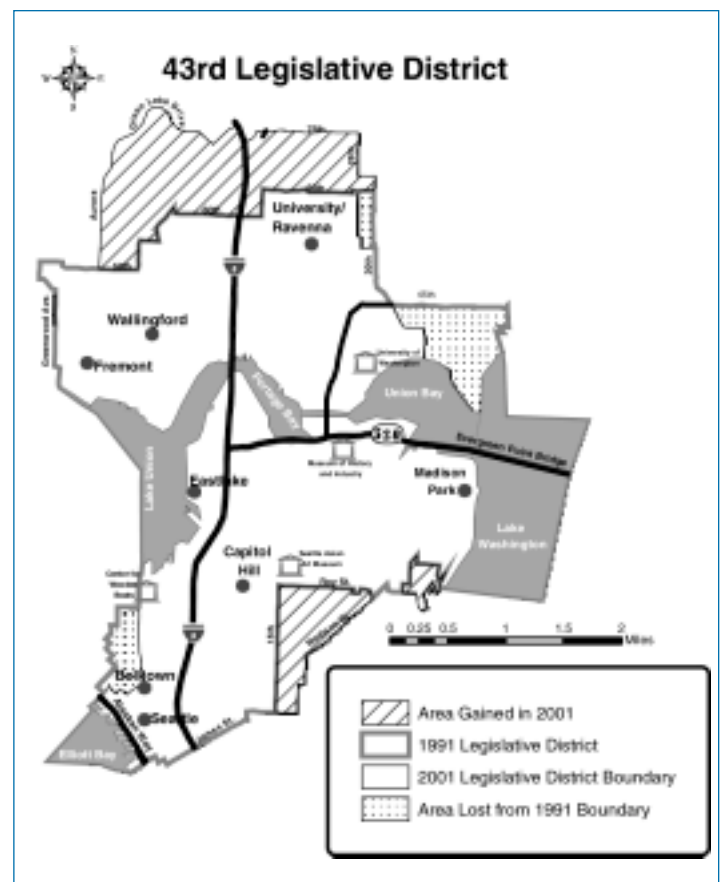
More information about these transportation proposals can be found at: <http://stc.leg.wa.gov/>

YOUR VOICE MATTERS!

Please take a moment to share your comments and concerns. Cut out and place in an envelope and mail to my office: PO Box 40443, Olympia, WA 98504-0443

Dear Pat,

Name, address, phone number and e-mail (optional)



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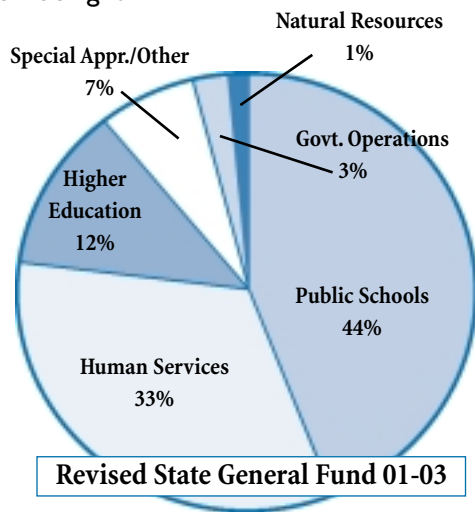
Financing the budget: Making up a \$1.5 billion deficit

Washington was hit harder than most states by the national economic slowdown triggered, in part, by the terrorist attacks in September. Because Boeing is

a major player in our state economy, the company's announcement that it would lay off as many as 10,000 workers had a dramatic effect. Not only did it swell the ranks of the unemployed, but it led to a \$800 million reduction in projected state revenues. At the same time that revenues were falling, the demand for state services was increasing. More children are entering our schools; more offenders are sentenced to longer terms in prison; and our aging population requires more state-funded nursing home and other long-term care services. Complicating matters even more are the skyrocketing cost of health care, the cost of repairs stemming from the 2001 earthquake, and initiatives that have both increased spending (two school related initiatives) and reduced revenues (I-695). This combination culminated in a state deficit of \$1.5 billion.

Why did we balance the budget?

Increases in general taxes. At a time when the state's economy was slowing, we wanted to avoid putting any additional burden on working families, and so we balanced the budget without imposing additional general taxes.



Reduced state services. All state services were cut, and none of the cuts were easy. As most state funding goes to paying for our public schools, community colleges, and universities, our budget shortfall means we had to make some cuts in education. Consequently, students at our colleges and universities are likely to see tuition increases. All told, we made \$684 million in cuts, including the following:

- State workers will receive no pay increase and will pay more for their health insurance. (Teachers funded by the state, however, will receive a 3.6% pay boost.)
- City and county governments will receive \$72 million less from the state to make up for the reduction in the car tab tax. Most of this funding was used for criminal justice.
- Parks and environmental programs took \$24 million in cuts.

Entering the Big Game. By participating in a multistate lottery, the state will get additional revenues — about \$24 million the first year.

Tapping reserves. We will use \$301 million in reserve funds. That will leave us with about \$300 million in reserves.

Using tobacco funds. Like many other states, we will be using some of the proceeds from the 1998 national tobacco settlement to balance the budget. This will provide us with \$450 million in additional funding. We ensured that funding for the public education programs aimed at getting both kids and adults to stop smoking was not jeopardized.

Health Issues Update

Revenues are falling and health-care costs are soaring, just holding on to the services we now offer can be good. In session, we took a few steps forward and a few steps back.

Expanded enrollment in the Basic Health Plan (BHP). As a result of voter approval of a 60-cent per pack increase in cigarette taxes, an additional 47,000 low-income state residents will be able to receive affordable health care through the Health Plan. For more information about the BHP, please call (800) 826-2444.

Expanded coverage of some immigrants and Medicaid to the Basic Health Plan

About 27,000 immigrant adults and children will no longer be eligible for Medicaid. Instead, they will be able to enroll in the BHP. This shift, effective in January 2002, will allow those affected to maintain continued access to most services,

except dental and vision. However, community clinics were provided additional funding to expand their dental services.

Public Health. When the voters and the Legislature repealed the car tab tax in 1999, local government lost revenue for criminal justice and public health. The Legislature, in the past, made up the difference. But given the dire budget, this funding to counties and cities was reduced by \$72 million. However, funding was provided for county health districts.

Prescription drugs. For many citizens, the rising cost of prescription drugs is forcing them to dig deeper into their pockets to pay for medications. These new drugs may be great medical advances, but their rising costs are putting great pressure on the pocket books of individual consumers and the state. I sponsored SB 6368, which would create an independent committee of medical experts to develop a list of preferred drugs for state-support-

ed health care programs. This list would give the state a tool that steers patients to the drugs known to be the most cost effective for treating any given health condition. What is important to note is that the bill also left the doctors in charge of prescribing, allowing them to override the list and "dispense as written" if they believe a certain product were best for their patient. At the same time, the list gave the state a mechanism to negotiate lower prices with drug companies, thereby saving tax dollars. Finally, in time, the bill would have allowed the general public to join the state purchasing cooperative to get better prescription prices.

Unfortunately, the pharmaceutical manufacturers were able to protect their interests at the expense of everyone else, and the bill died in the House of Representatives. This issue is of such critical importance that it won't go away. I will do my best to make sure we keep working to make prescriptions more affordable.

Other Issues:

- ✓ **Drug treatment for non-violent offenders.** Many of the inmates in our increasingly crowded prisons are there because of crimes related to substance abuse. If we treat the underlying addiction, we should be able to break the link between substance abuse and crime. House Bill 2338 does this by reducing the sentences for simple possession, capturing the savings from reduced prison time and then using that saved money to provide better drug treatment. The bill was supported by police chiefs, prosecutors and the Department of Corrections.
- ✓ **Domestic violence.** People who are being stalked or harassed at work by an abusive person will be able to receive unemployment insurance if they have to leave their jobs to protect themselves or their children.
- ✓ **Anti-bullying.** School districts are now required to develop policies prohibiting harassment, intimidation and bullying of all children on school grounds.
- ✓ **Racial profiling.** Local law enforcement officials will be required to take steps to stamp out racial profiling.
- ✓ **Emergency contraception.** Victims of sexual assault need to know what they can do to avert an unwanted pregnancy. Under this new law, victims who go to the hospital must be provided with information about their options, including the availability of emergency contraception.
- ✓ **Overtime for nurses.** In an effort to ensure the highest standards of patient care, this new law prohibits employers from requiring nurses to work overtime, except in emergencies or if the employer can't find additional nurses.
- ✓ **Seatbelts.** Motorists now can be pulled over and fined for not wearing their seat belts. Before, a driver could be ticketed for this only if they were stopped for some other violation.
- ✓ **Community college and university tuition.** The Legislature is allowing Trustees or Regents at colleges and universities to make up a reduction in state funding by increasing tuition, up to a point. Community colleges will be able to increase tuition for in-state undergraduates by as much as 12 percent; four-year institutions by as much as 16 percent. The Legislature will retain control over undergraduate tuition, while giving institutions freedom to set tuition for graduate students and out-of-state students.
- ✓ **Credit scoring.** This new law protects purchasers of insurance policies (life, auto, homeowners) by restricting insurers from unfairly using credit histories to deny coverage.
- ✓ **Family leave.** Employees will now be able to use their vacation or sick leave to take care of a seriously ill family member.
- ✓ **Unemployment Insurance.** We reformed the UI tax schedule to make employer contributions a more fair and more accurate reflection of the costs associated with providing UI benefits to laid-off employees.
- ✓ **Neah Bay rescue tug.** To protect the waters of Puget Sound from the threat of oil spills, the Neah Bay rescue tug was funded for the fall and winter of 2002-2003.

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